

Document # 4536

1/10/85

MEMORANDUM

JANUARY 10, 1985

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: STEPHEN COYLE, DIRECTOR

SUBJECT: FORT HILL SQUARE, RECOMMENDING TO THE CITY OF BOSTON, ACTING BY AND THROUGH THE PUBLIC FACILITIES COMMISSION, THE FINAL DESIGNATION OF FORT HILL SQUARE ASSOCIATES AS REDEVELOPER OF THE FORT HILL SQUARE GARAGE AND ADJACENT PUBLIC AND PRIVATE LAND AREAS IN THE FINANCIAL DISTRICT AND AUTHORIZATION TO AMEND THE SALE & CONSTRUCTION AGREEMENT

International Place at Fort Hill Square (the "Project") is a mixed-use development project to be constructed by Fort Hill Square Associates ("FHSA") on the 2.6 acre site bounded by High, Oliver and Purchase Streets in Boston's downtown financial district (the "Project site"). The Project site consists partly of privately owned land and partly of land now owned by the City of Boston.

The Boston Redevelopment Authority ("BRA") is acting with respect to the Project only in its municipal planning board capacity and not as a state redevelopment authority under Chapters 121A and 121B of the General Laws. The actions of the BRA are not subject to the Massachusetts Environmental Protection Act, G.L. c. 30, SS et seq. Nevertheless, the BRA has required the developer to prepare a report analyzing all environmental impacts of the Project. The scope of the environmental report was set forth in a March 28, 1984 letter from the BRA. The environmental review process has been completed and a copy of the Secretary of Environmental Affairs' approval of the impact report is attached for your reference.

In accordance with a Sale and Construction Agreement dated May 30, 1984 by and between the City of Boston and FHSA, the Project is subject to design review by the BRA, acting as agent for the City and in its municipal capacity as the Planning Board of the City of Boston under St. 1960, C. 665, S12. As a result of that design review process and environmental process, the development team and the Authority's design review staff have made significant improvements to the development.

For example, concerning massing and density, substantial size reductions have taken place in the design development stages of the Project. Initially, the taller of the two towers was located at the intersection of High and Purchase Streets. It has been moved to the Oliver and Purchase Street corner of the site where it will have less shadow impact on the Financial District, the Broad Street area, and public areas along the waterfront. The massing of the Project originally called for two towers of 51 and 44 stories. They have been lowered to 46 and 35 stories respectively. In the spring of 1984, the massing of the lower tower stood at 36 stories, but shadow studies indicated that a one-story reduction would have beneficial sunlight impacts near the intersection of Milk and India Streets, resulting in the final 35 story height. The rectangular elements, originally at 31 and 15 stories, were also reduced to 27 and 11 stories respectively. In deference to the Chadwick Leadworks building on High Street, the lowest element of the International Place project is now opposite.

In comparison with the original proposal, the density of the approved massing has dropped dramatically. The developer's initial proposal called for an FAR of nearly 23. In the designation, it was reduced to 16. In square feet, this means a reduction of 320,000 feet from an original 2,170,000 to 1,850,000 square feet. The Project as presently outlined in the design review documents after a 40,000 square foot reduction in Phase 2 agreed to by the developer equates to a Project of 1,657,000 square feet of building area and an FAR of approximately 14.4.

It must be noted that, as a result of the above reduction in building massing through the environmental and design review process, the views from other buildings will benefit from the widened space between the towers, satisfying a design guideline minimizing view blockage. In accordance with our design review approval, there will be further pedestrian level wind studies that will be completed to further alleviate possible wind conditions around the site.

The development will produce substantial public benefits to the city. The combined payment for land area, including the garage and discontinued street areas, including the land under the to-be-discontinued High Street ramp, will result in a \$25,000,000 payment to the City and will produce

approximately \$12,000,000 annually in new tax revenues to the City from a site that is presently yielding less than \$200,000. It will generate over 3,500 construction jobs and over 7,000 permanent jobs; and, as noted above, will replace the now antiquated and under-utilized mechanical public garage with new below-grade public spaces to satisfy new and existing transportation needs of the area.

The Authority is, therefore, recommending that the developer receive from the Public Facilities Commission final designation and that the property be conveyed, subject to the terms and conditions as outlined in the Sale & Construction Agreement and the minor amendments thereto to reflect the present project, a draft of which is attached. Appropriate votes follow.

VOTED: That in accordance with the votes of this Authority, dated October 20, 1983 with accompanying terms and conditions; the Real Property Board dated October 21, 1983 with accompanying terms and conditions; the Public Facilities Commission dated October 21, 1983; the City Council dated November 23, 1983 which was deemed in force under St. 1948, c.452, §17D (as appearing in St. 1951, c.376, §1) on December 8, 1983; the Public Improvements Commission dated December 30, 1983; the Public Facilities Commission dated October 25, 1984; the City Council dated December 19, 1984 which was deemed in force under St. 1948, c. 452, §17D (as appearing in St. 1951, c. 376, §1) on December 26, 1984; and with the approval of the Mayor under St. 1909, c.486, §31B (as appearing in St. 1966, c.642, §12): That the Boston Redevelopment Authority recommends to the City of Boston, acting by and through its Public Facilities Commission, the final designation of Fort Hill Square Associates as developer of the Fort Hill Square Garage and the real estate related thereto, including discontinued street areas; said recommendation to be subject to and in accordance with the terms, conditions and provisions of the Sale & Construction Agreement dated May 30, 1984 entered into by the City of Boston, the Boston Redevelopment Authority, and Fort Hill Square Associates, as amended, which Agreement as amended

is hereby ratified and confirmed; and the Director be and hereby is authorized to execute the Amendment to the Sale & Construction Agreement dated May 30, 1984 among the City of Boston, the Boston Redevelopment Authority, and Fort Hill Square Associates as amended and confirmed by a Confirmatory Amendment dated October 31, 1984, which Second Amendment shall be substantially in the form as attached hereto; and is further authorized and directed to take all actions deemed necessary and appropriate for the disposition and development of the Fort Hill Square Garage and the real estate related thereto, including discontinued street areas, in accordance with the Sale and Construction Agreement, as amended; and

FURTHER

VOTED: That the Final Environmental Impact Report prepared for the Authority by Fort Hill Square Associates for the proposed International Place at Fort Hill Square development adequately and properly complies with all requirements of the Boston Redevelopment Authority and shall be, and hereby is, approved.

SECOND AMENDMENT TO SALE AND CONSTRUCTION AGREEMENT

THIS SECOND AMENDMENT is made and entered into as of this day of January, 1985, among The CITY OF BOSTON ("City"), acting by and through the Public Facilities Department of the City of Boston pursuant to St. 1909, c.486, §§31B-31D (as inserted by St. 1966, c.642, §12 and St. 1982, c.190, §24), the BOSTON REDEVELOPMENT AUTHORITY ("Authority") acting in its municipal planning board capacity pursuant to a delegation of power and authority by the Public Facilities Commission under St. 1966, c. 642, §3(ii), and FORT HILL SQUARE ASSOCIATES ("Developer"), a Massachusetts general partnership.

Background

The City has entered into a Sale and Construction Agreement with Developer dated May 30, 1984 and amended by a Confirmatory Amendment dated October 31, 1984 (the "Sale and Construction Agreement"). Terms and phrases used herein and defined in the Sale and Construction Agreement shall have the definitions attributed thereto in the Sale and Construction Agreement. The parties desire to amend the Sale and Construction Agreement as set forth below.

Agreements

In consideration of the mutual covenants and agreements herein contained, the parties hereby agree as follows:

1. Notwithstanding any provision of the Sale and Construction Agreement to the contrary, the Design Review Procedure applicable to the Final Plans and Specifications for the Phase 2 Improvements may require that the gross floor area of the Phase 2 Improvements be reduced by as much as 40,000 square feet from the gross floor area shown on the Design Development for the Phase 2 Improvements approved by the Authority on May 31, 1984. Subject to design review approval by the Authority, the Developer may effect such reduction of gross floor area in elements of the Phase 2 Improvements other than the cylindrical tower. The parties estimate that the Phase 1 Improvements and the Phase 2 Improvements as described in plans previously approved by the Authority presently contain a total of approximately 1,697,000 gross square feet of floor area exclusive of all parking and loading areas and otherwise as defined in the Boston Zoning Code. Accordingly, after the reduction of up to 40,000 square feet from the gross floor area of the Phase 2 Improvements, described above, the parties estimate that the Phase 1 Improvements and the Phase 2 Improvements contain a total of not less than 1,657,000 gross square feet of floor area for an estimated overall project FAR of approximately 14.4.

2. In addition to the provisions of Section 1201 relating to non-discrimination, equal employment opportunity, contract compliance and affirmative action, Developer will require the Contractor to use voluntary good faith efforts to comply with the following guidelines: (1) at least 50% of the total employees

in each trade shall be by bona fide Boston residents, (2) at least 25% of the total employees in each trade shall be by minority persons including persons who are Black, Hispanic, Asian, or Native American, and (3) at least 10% of the total employees in each trade shall be by women.

3. The Developer will cooperate with appropriate City agencies in the creation and implementation of the following social programs: (1) a neighborhood cultural center and/or neighborhood cultural art exhibition area to be located in the glass-enclosed courtyard to be constructed as part of the Improvements, (2) a program to leverage the Developer's linkage contribution through the rehabilitation of existing housing, the construction of new low or moderate income housing and/or a housing subsidy program, (3) a job training program for students graduating from Boston high schools at a total cost to Developer of up to \$100,000 over a three year period, (4) Developer will make voluntary good faith efforts to comply with a permanent hiring guideline for Developer's employees in the operation of the Improvements of 50% for Boston residents and will from time to time submit plans to the City describing such efforts, (5) a scholarship program for scholar athletes in the Boston school system funded by a \$100,000 per year contribution by Developer for three years, and (6) a contribution by Developer in the amount of \$100,000 to the City's sports and recreational programs. The Developer shall endeavor in good faith to begin implementation of each of the aforementioned social programs at the earliest

practicable times, provided that in no event shall the Developer be required to spend (a) more than \$100,000 under this paragraph 3 prior to 50% completion of the Phase 1 Improvements or (b) more than an additional \$100,000 prior to the issuance of a certificate of occupancy for the Phase 1 Improvements by the Inspectional Services Department and the issuance of a Certificate of Completion for the Phase 1 Improvements by the Authority and an Estoppel Certificate of the City and Authority that Developer is not in default under the Sale and Construction Agreement.

4. The City and Authority agree that Developer is not in default under the Sale and Construction Agreement as of this date and that Developer has satisfied all of the usual procedures for final designation of Developer as the Developer of the Property. Said final designation is hereby made by the City.

5. The parties shall use all reasonable efforts to cause the Parcel A Closing to occur on or before January 11, 1985, it being understood that failure to arrange financing or other good faith failure to close by such date shall not be considered a breach by Developer hereunder. A closing on or before January 15, 1985 shall not require any additional deposit under the Sale and Construction Agreement.

6. Except as specifically amended hereby, the Sale and Construction Agreement is hereby ratified and confirmed and shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, as of the date first above written, at Boston, Massachusetts, the parties hereto have caused this

Amendment in multiple counterparts to be signed, sealed and delivered by their duly authorized officers or representatives, respectively.

APPROVED AS TO FORM:

CITY OF BOSTON, acting by and through the Public Facilities Department of the City of Boston

Corporation Counsel
City of Boston

By: James F. Hart, Director

APPROVED AS TO FORM:

BOSTON REDEVELOPMENT AUTHORITY,

Chief General Counsel
Boston Redevelopment
Authority

By: Stephen F. Coyle, Director

FORT HILL SQUARE ASSOCIATES

By: BC ASSOCIATES, Managing Partner

By: Donald J. Chiofaro, Managing
General Partner

Signed, sealed, and
delivered in the presence of:

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss. Boston

, 1985

Then personally appeared before me the above-named Stephen F. Coyle, Director of the Boston Redevelopment Authority, who executed the foregoing instrument on behalf of the Boston

Redevelopment Authority and acknowledged the same to be the free act and deed of said Authority.

Before me,

Notary Public
My commission expires:

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss. Boston , 1985

Then personally appeared before me the above-named James F. Hart, Director of the Public Facilities Department of the City of Boston, who executed the foregoing instrument on behalf of the City of Boston acting by and through the Public Facilities Department and acknowledged the same to be the free act and deed of the City of Boston.

Before me,

Notary Public
My commission expires:

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss. Boston , 1985

Then personally appeared before me the above-named Donald J. Chiofaro, Managing General Partner of BC Associates, a general partner of Fort Hill Square Associates, and acknowledged the foregoing instrument to be the free act and deed of Fort Hill Square Associates.

Before me,

Notary Public
My commission expires:



MICHAEL S. DUKAKIS
GOVERNOR

JAMES S. HOYTE
SECRETARY

The Commonwealth of Massachusetts
Executive Office of Environmental Affairs
100 Cambridge Street
Boston, Massachusetts 02202

December 13, 1984

CERTIFICATE OF THE SECRETARY OF ENVIRONMENTAL AFFAIRS

ON THE

FINAL ENVIRONMENTAL IMPACT REPORT

PROJECT NAME : International Place at Fort Hill Square
PROJECT LOCATION : Boston, Massachusetts
EOEA NUMBER : 5199
PROJECT PROPONENT : Fort Hill Square Associates, c/o The Chiofaro Company
DATE NOTICED IN MONITOR : November 8, 1984

The Secretary of Environmental Affairs herein issues a statement that the Final Environmental Impact Report on the International Place project adequately and properly complies with Massachusetts General Laws, Chapter 30, Sections 62 through 62H, inclusive, and with the regulations implementing the Massachusetts Environmental Policy Act.

The proponent and the project consultants are to be complimented both for their thorough and forthcoming response to comments on the Draft EIR and for the level of quality of the Final EIR. In addition, the changes made to both the analyses and to the mitigation measures evidence a serious intent to meet the environmental goals of MEPA.

In the response to comments by my office and others on the sewer connections for the project, the proponent has amended his mitigation commitment to include complete separation of storm water and sewage at the site, including construction of a new storm sewer in Oliver Street. This, combined with the use of efficient fixtures in the building and the provision of a full day's retention capacity for sewage, provides for the minimization of the short-term impacts of the project and for long-term consistency with the goal of separate storm and sanitary sewers in the area.

The traffic section of the Final EIR was extensively modified to provide additional supporting data, to respond to technical comments, and to provide